

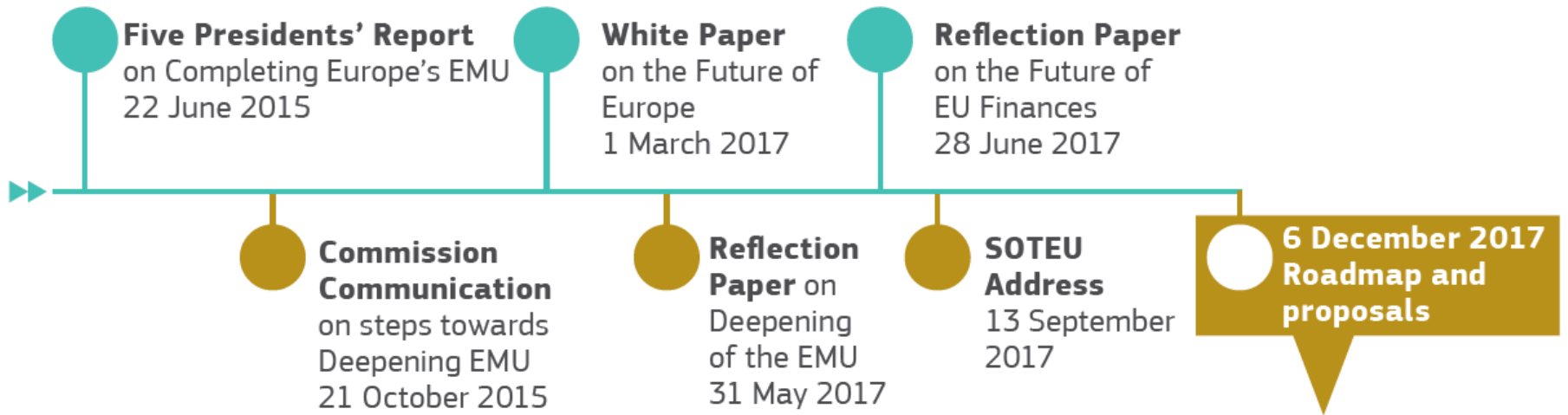


FURTHER STEPS TOWARDS DEEPENING OF THE ECONOMIC AND MONETARY UNION

EMU package



Strengthening Economic and Monetary Union: before the EMU package





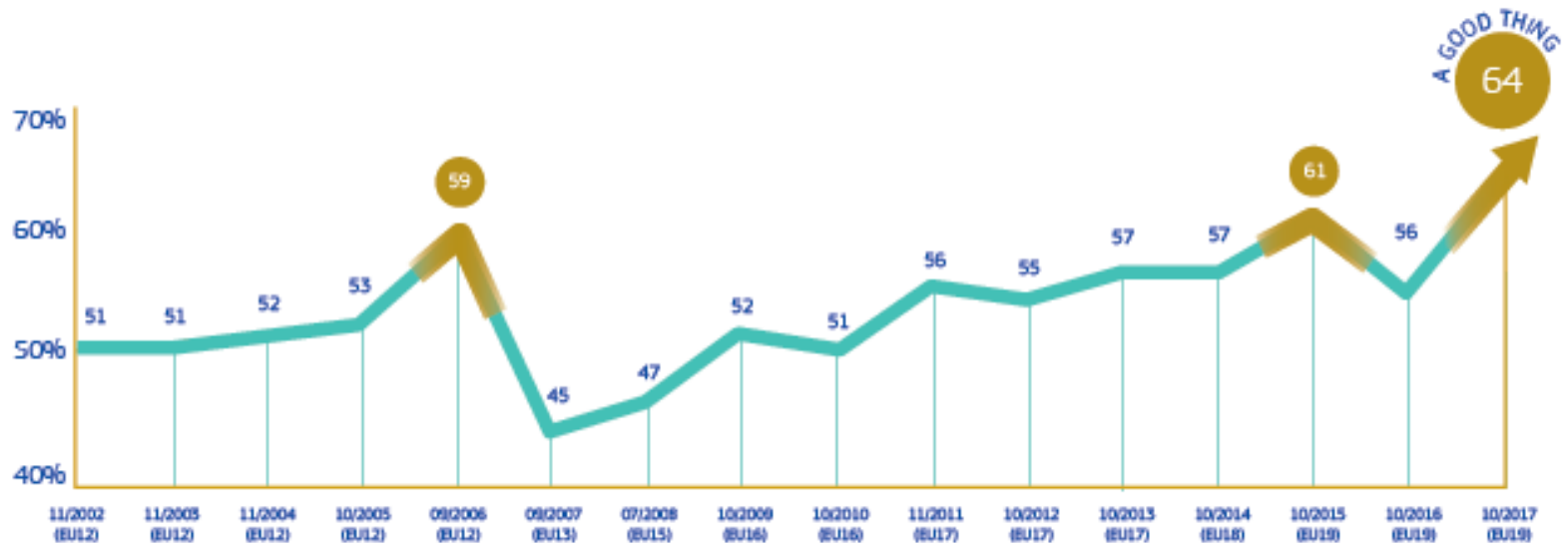
..and the following milestones





Support for the Euro is at the highest level since introduction of its notes and coins in 2002

64% of citizens in the euro area say the euro is a good thing



% - EURO AREA

SOURCE: EUROBAROMETER, DECEMBER 2017



Aim of the proposals

Unity

Efficiency

Democratic accountability



The 6 December EMU package

Roadmap for deepening Europe's Economic and Monetary Union

A proposal to **establish a European Monetary Fund**

A proposal to **integrate the Treaty on Stability, Coordination and Governance into the EU legal framework**

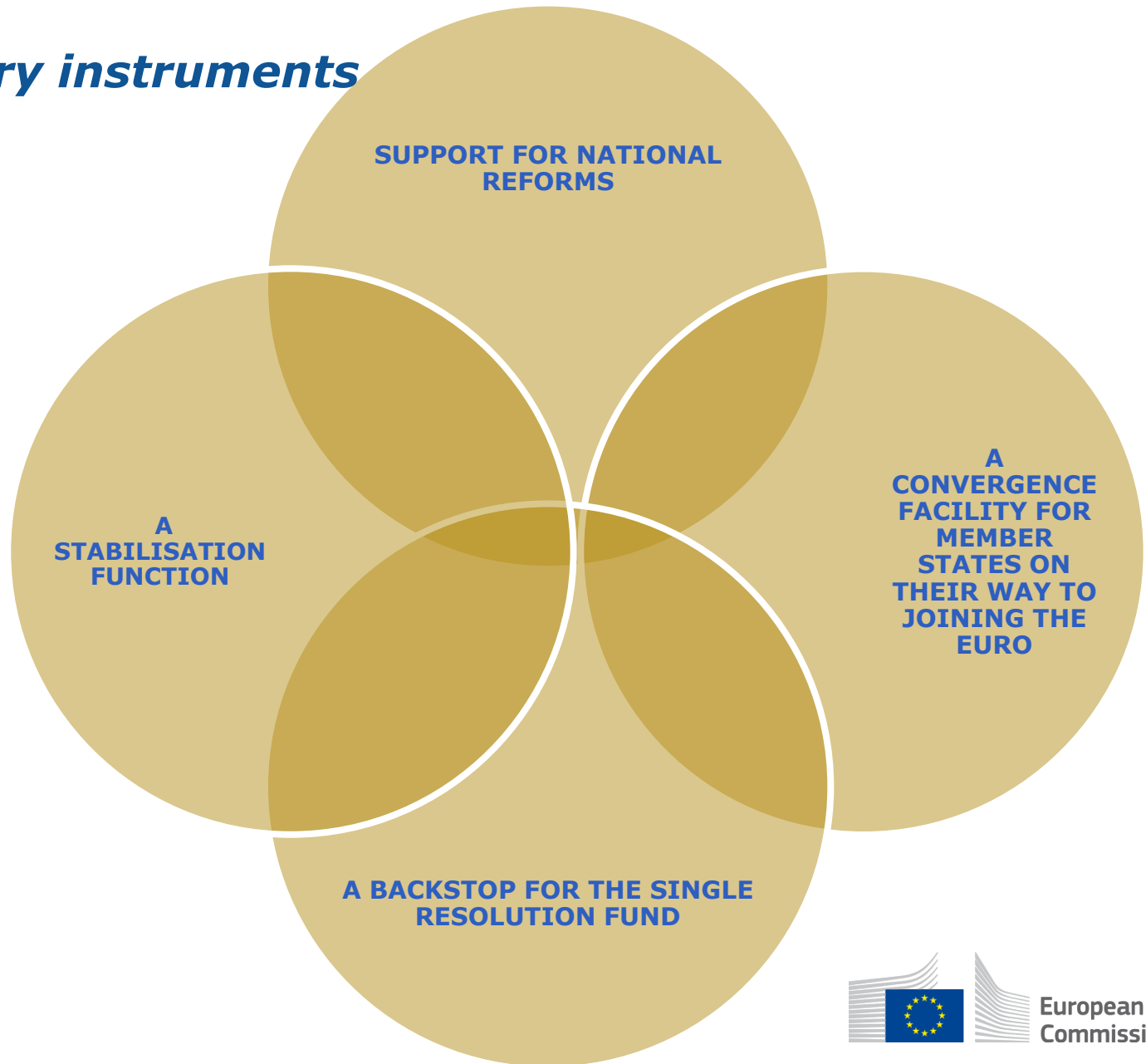
A Communication on **new budgetary instruments for a stable euro area within the Union framework**

A proposal to **strengthen the Structural Reform Support Programme** and a proposal to **mobilise EU funds in support of national reforms**

A Communication on a **European Minister of Economy and Finance**



Four budgetary instruments





Support for national reforms

A reform delivery tool

- ▶ For the **period 2018-2020**: pilot phase

Member States to use the **performance reserve in the European Structural and Investment Funds** to support structural reforms

- ▶ For the **post-2020 Multiannual Financial Framework**: a new fully-fledged reform delivery tool

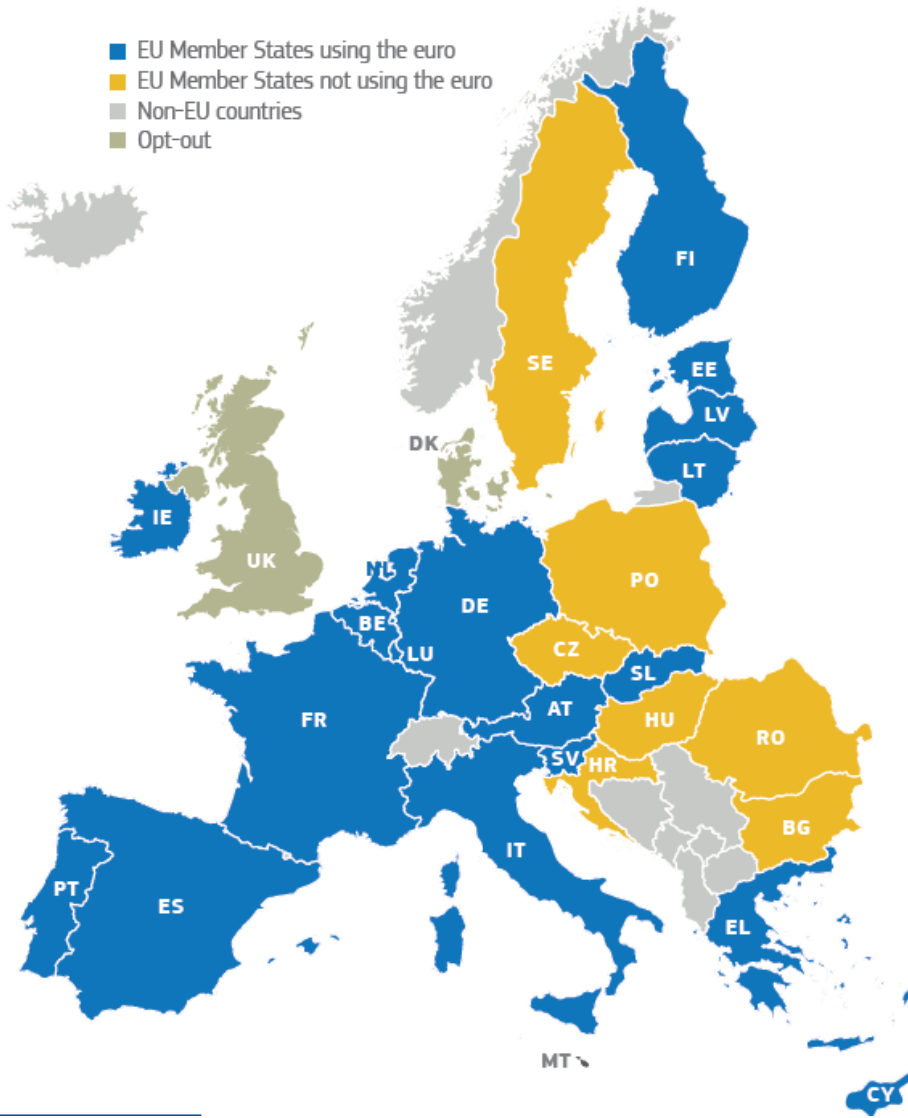
Strengthened technical assistance support

- ▶ For the **period 2018-2020**: proposal to double the financial envelope of the Structural Reform Support Programme (€300 mln.)
- ▶ For the **period post-2020**: proposal to strengthen technical support



A convergence facility for Member States on their way towards joining the euro

- EU Member States using the euro
- EU Member States not using the euro
- Non-EU countries
- Opt-out



The euro is meant to be the currency **of the whole EU**.

- ▶ **For the period 2018-2020:** A dedicated work stream within the Structural Reform Support Programme.
- ▶ **For the period post-2020:** Setting up of a dedicated convergence facility.



Roadmap for deepening Europe's Economic and Monetary Union

In 2018

FINANCIAL UNION

BANKING AND CAPITAL MARKETS UNION

- ✓ Adoption of all the remaining proposals on Banking Union, including on risk reduction, the European Deposit Insurance Scheme and a common backstop for the Single Resolution Fund
- ✓ Commission proposal for an enabling framework for European Sovereign Bond-backed Securities for the euro area, following the work of the European Systemic Risk Board

ECONOMIC AND FISCAL UNION

EU MULTIANNUAL FINANCIAL FRAMEWORK

- ✓ Adoption of the proposal to reinforce the Structural Reform Support Programme
- ✓ Adoption of the targeted changes to the Common Provisions Regulation
- ✓ Commission proposals for the post-2020 Multiannual Financial Framework

DEMOCRATIC ACCOUNTABILITY AND EFFECTIVE GOVERNANCE

EUROPEAN MONETARY FUND

- ✓ Discussion on the legislative proposal

EUROPEAN MINISTER OF ECONOMY AND FINANCE

- ✓ Discussion at political level

EXTERNAL REPRESENTATION OF THE EURO AREA

- ✓ Discussion on the legislative proposal

INCORPORATION OF FISCAL COMPACT INTO EU LAW

- ✓ Discussion on the legislative proposal

DIALOGUE BETWEEN EU INSTITUTIONS

- ✓ Formalisation of practices between the European Parliament and the Commission



Roadmap for deepening Europe's Economic and Monetary Union

By mid-2019

FINANCIAL UNION	ECONOMIC AND FISCAL UNION
BANKING AND CAPITAL MARKETS UNION <ul style="list-style-type: none"> ✓ Fully functional backstop to the Single Resolution Fund ✓ Implementation of the European Deposit Insurance Scheme ✓ Finalising all pending legislative initiatives for Capital Markets Union 	EU MULTIANNUAL FINANCIAL FRAMEWORK <ul style="list-style-type: none"> ✓ Adoption of the post-2020 proposals for structural reform support ✓ Adoption of the post-2020 proposal on a dedicated convergence facility for non-euro Member States ✓ Adoption of the post-2020 proposal for a stabilisation function
DEMOCRATIC ACCOUNTABILITY AND EFFECTIVE GOVERNANCE	
EUROPEAN MONETARY FUND <ul style="list-style-type: none"> ✓ Adoption of the legislative proposal 	EXTERNAL REPRESENTATION OF THE EURO AREA <ul style="list-style-type: none"> ✓ Adoption of the legislative proposal
EUROPEAN MINISTER OF ECONOMY AND FINANCE <ul style="list-style-type: none"> ✓ Common understanding 	INCORPORATION OF FISCAL COMPACT INTO EU LAW <ul style="list-style-type: none"> ✓ Adoption of the legislative proposal

Possible further steps: end 2019-2025*

FINANCIAL UNION	ECONOMIC AND FISCAL UNION
<ul style="list-style-type: none"> ✓ Continuous implementation of Capital Markets Union initiatives ✓ Move towards the issuance of a European safe asset ✓ Changes to the regulatory treatment of sovereign exposures 	<ul style="list-style-type: none"> ✓ Implementation of the new Multiannual Financial Framework ✓ Fully functional stabilisation function ✓ Simplification of the rules of the Stability and Growth Pact
DEMOCRATIC ACCOUNTABILITY AND EFFECTIVE GOVERNANCE	
<ul style="list-style-type: none"> ✓ Fully-fledged function of European Minister of Economy and Finance as chair of the Eurogroup and Vice-President of the Commission 	<ul style="list-style-type: none"> ✓ Fully operational European Monetary Fund ✓ Setting-up of a euro area Treasury